

Peer Exchanges

Planning for a Better Tomorrow

FHWA/FTA
Transportation Planning Capacity Building

Transportation Planning Capacity Building Program

– Peer Exchange Report –

“MPO and Transit Authority Consolidation in San Diego”

Location: San Diego, California
Date: March 11, 2008
Exchange Host Agency: San Diego Association of Governments (SANDAG)
Exchange Participants: Indianapolis Metropolitan Planning Organization (Indianapolis MPO)
Madison County, Indiana, Council of Governments (Anderson MPO)
Federal Highway Administration (FHWA), Indiana Division Office
Federal Transit Administration (FTA), Region V
U.S. Department of Transportation (DOT), Volpe Center

This report includes the following sections:

- I. Introduction**
- II. Background** on the Indianapolis region and context motivating this peer exchange
- III. Key Findings / Lessons Learned** from the day-long event
- IV. Summary of Discussions** with SANDAG staff
- V. Key Contacts**
- VI. Attachments** including full participant list, event agenda, and links to participant MPO websites

I. Introduction

This report summarizes proceedings from a one-day Peer Exchange on “MPO Consolidation,” supported by the FHWA’s and the FTA’s Transportation Planning Capacity Building (TPCB) Program. The event was hosted at the downtown offices of the SANDAG and attended by the Indianapolis MPO, the Anderson MPO, abutting MPOs in the nine-county Central Indiana region¹, the FHWA’s Indiana Division Office, and the FTA’s Region V. The goals of this Peer Exchange were two-fold:

¹ The Central Indiana region includes the Counties of Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, and Shelby.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

1. Provide transportation planning agencies in central Indiana’s growing urbanized region the opportunity to learn about SANDAG’s 2003 MPO consolidation process from an inside perspective.
2. Solicit reflective feedback from SANDAG staff on issues to consider in designing and implementing an effective MPO consolidation (i.e., decision-making structure, staffing, funding, technical capacity, process) should agencies in the Indianapolis region want to pursue such a course.

Lead staff from SANDAG’s technical, planning, communications, financial, legal, and administrative divisions met with attendees to discuss the impacts that consolidation had on each of their divisions’ work, as well as respond to questions. TPCB program staff from the U.S. DOT Volpe Center attended the event to document proceedings and facilitate discussions of key findings and lessons learned that included:

What broad factors and conditions facilitated SANDAG’s consolidation process and helped make it a success?

- Local political will and a mandate from the state legislature
- Pre-existing reputation for technical excellence and reliability
- Board leadership and organizational management
- State and local alternatives to Federal funding

What are the benefits of SANDAG’s consolidation model?

- Ability to both program funds and build projects
- State authority to seek new and innovative sources of funding
- Transitioning to a “non-profit business model”
- Efficiencies from regionalizing planning and development

Though it would be impossible to exactly replicate the circumstances that lead to agency consolidation in San Diego, the information shared during the peer exchange helped provide a framework for agencies in central Indiana of what is involved in laying the ground work – politically, logistically, financially, administratively – for such a transition to take place successfully.

II. Background

The two abutting, central Indiana MPOs of Indianapolis and Anderson have a combined population of 1.7 million residents and serve the highest-growth area in the State in terms of both population and traffic volumes. While the working relationship between the Indianapolis and Anderson MPOs is strong, the artificial separation of the two agencies’ planning and oversight responsibilities precludes certain efficiencies and synergies from being realized region-wide, especially given the growth this area is now experiencing. If population projections for Indianapolis and Anderson are met as predicted, it is expected that their metropolitan areas will be designated in the same urbanized area (UA) after the 2010 U.S. Census.

In 2007, the Central Indiana Regional Transportation Authority (CIRTA) was formed to plan and implement public transit in the Indianapolis region. The CIRTA’s jurisdiction overlaps those of both Indianapolis and Anderson and adds another segregated layer of planning and oversight for transportation projects and services in central Indiana. The soon-to-be merged UA of Indianapolis and Anderson, Indiana, combined with the new overlapping transit authority in the region, provides a unique opportunity to explore the formation of new regional organizational structures and mechanisms for transportation planning and growth in central Indiana. Representatives from the Indianapolis and Anderson MPOs traveled to the offices of the SANDAG, where a consolidation of regional transit and transportation planning agencies took place in 2003, to listen to its story and learn which factors contributed to its success. Staff from the Indianapolis and

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

Anderson MPOs are wondering if a similar consolidation of their agencies with the CIRTAs could help to unify and strengthen planning and development efforts in central Indiana as well.

IV. Key Findings

After a full day of presentations by SANDAG staff to explain the history and mechanics of the MPOs 2003 consolidation with local transit agencies and their subsequent discussions with staff from Indianapolis and Anderson MPOs, the following key findings emerged:

What broad factors and conditions facilitated SANDAG’s consolidation process and helped make it a success?

- *Local political will and a mandate from the state legislature:* There were a number of key politicians in San Diego, including mayors, councilors, and state representatives, who championed the consolidation of multiple agencies into one regional entity charged with transportation, transit, and land-use planning for San Diego county. As a result, the state legislature passed a bill that re-created SANDAG as a consolidated regional agency.
- *Pre-existing reputation for technical excellence and reliability:* SANDAG’s Service Bureau has been producing customized demographic and economic studies, data and analyses, Geographic Information Systems (GIS) analyses and mapping, and transportation modeling for municipalities in the San Diego region since the 1970s. The technical strength of its staff and its long-standing reputation as an excellent source of high quality technical data and analysis within the region positioned it well as an independent and respected forum for greater authority in regional decision-making.
- *Board leadership and organizational management:* SANDAG policies established rules and operating procedures that supported strong leadership and decision-making by the Board of Directors. Staff provide information support through technical analysis and organize ongoing Board training and orientation opportunities, such as their 2-day annual retreat, but do not drive the decision-making process. SANDAG departments are structured to respond quickly to Board decisions, initiatives, and directives.
- *State and local alternatives to Federal funding:* Local ballot initiatives and state programs generate the majority of revenues used for transportation planning and programming by MPOs within California. This ensured that SANDAG would have sufficient administrative and management funds to facilitate a smooth transition and had the ability to hire the personnel necessary to oversee its expanded authorities and responsibilities.

What are the benefits of SANDAG’s consolidation model?

- *Ability to program funds and build projects:* Post-consolidation SANDAG not only controls the flow and allocation of transportation dollars in its region but has the authority to oversee construction of new projects, which allows it to have greater impacts on issues with critical synergies like land use, housing, natural resource protection, and economic development. For example, SANDAG controls the flow of funds and can choose to build projects in areas where local jurisdictions have passed transit-supportive zoning or open space protections.
- *State authority to seek new and innovative sources of funding:* SANDAG is more resilient in the face of increasingly scarce Federal dollars because it now has the legal authority to pursue alternative funding sources. Its increased flexibility to respond to a changing funding climate is particularly apparent with local ballot initiatives, which the state legislature allows SANDAG to both run and administer. This allows SANDAG to take a proactive role in writing the rules from the ground up, governing the types of projects that new monies can support.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

- *Transitioning to a “non-profit business model.”* To be inclusive of and responsive to local interests at a regional scale requires bipartisan collaboration and teamwork, so a regional framework may be less contentious, politically, than local government. In this way, SANDAG staff felt their agency’s organizational structure was more reminiscent of a “non-profit business model” than of a local government. As an independent, regional agency, SANDAG staff felt their agency enjoys a greater degree of autonomy and flexibility than if it were housed within a city or county government, as the Indianapolis MPO is and other MPOs around the country may be.
- *Efficiencies from regionalizing planning and development:* Commuter sheds and air quality districts do not fit easily into municipal boundaries. Expanding the geographic scale of inquiry and decision-making to match the geography of regional mobility needs can streamline processes and right size solutions to existing challenges. Programming authority combined with a more expansive geographic view expands the purview and influence of regional plans. Rather than having multiple agencies compiling competing lists of desired projects in the region, SANDAG provides one list of projects as a consolidated agency and makes the final decisions about which projects will be built and under what conditions.

V. Summary of Discussions with SANDAG Staff

The three Indiana MPO staff members (Philip Roth and Michael Dearing of the Indianapolis MPO, and Jerry Bridges of the Anderson MPO) opened each discussion with brief synopses of the planning context each of their agencies face in the Indianapolis region and a few central questions motivating their participation in the exchange. SANDAG staff were asked to respond and then engage participants in question and answer.

1: SANDAG Overview and Public Outreach

Anne Steinberger, Marketing Program Manager, SANDAG

SANDAG was first created through a joint powers agreement to conduct regional long-range transportation planning within San Diego County in 1966. In early 2003, the California State Legislature consolidated SANDAG’s transportation planning responsibilities with the transit planning, programming, project development, and construction responsibilities of the county’s two transit providers through state law (Senate Bill 1703), forming a new super-agency that now serves as a “one-stop shop” for regional planning, decision-making, and project implementation in San Diego County. SANDAG now holds authority under a number of Federal, state, and local designations and bears the legal responsibilities required by each. The overall authorities that SANDAG holds as a result of consolidation include:

- **Regional Consolidated Agency (State):** State law mandates membership in SANDAG as a consolidated agency from the area’s 18 cities and county government. Consolidates transit planning, programming, project development, and construction into the new agency, leaving responsibilities for day-to-day operations with the existing transit agencies.
- **Council of Governments - COG (Local):** Provides a public forum for regional decision-making among the area’s 18 incorporated cities and county government, relating to a broad range of topics pertinent to the region’s quality of life.
- **Regional Transportation Planning and Funding Allocation Agency (State):** Authorizes SANDAG to adopt the long-range Regional Transportation Plan (RTP) and

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

short-term Regional Transportation Improvement Program (RTIP). Also authorizes SANDAG to allocate state Transportation Development Act (TDA)² funds.

- **Metropolitan Planning Organization - MPO** (*Federal*): Allows SANDAG to allocate Federal transportation revenues, so long as it meets Federal comprehensive planning requirements as stipulated in the Federal transportation bill, the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU).
- **San Diego County Regional Transportation Commission** (*State and Voter Approval*): Designates SANDAG to administer the local ½ percent sales tax, TransNet (approximately \$250 million per year), for transportation purposes.
- **Congestion Management Agency - CMA** (*State and Local*): Designates SANDAG as the CMA responsible for adopting a congestion management plan, overseeing preparation of deficiency plans, and monitoring local agency compliance.
- **Co-lead Agency for Air Quality Planning** (*Federal and State*): Identifies SANDAG and the County Air Pollution Control Board (APCB) to carry out air quality planning mandates and determine conformity of transportation projects with air quality plans.
- **Integrated Waste Management Task Force** (*State and Local*): Charges SANDAG with recommending actions to member agencies regarding the major elements of the state-mandated Integrated Waste Management Plan.
- **Housing** (*State*): Charges SANDAG with determining each jurisdiction's share of the regional housing needs and establishes performance criteria for self-certification of housing elements in accordance with state comprehensive planning requirements.
- **Areawide Clearinghouse** (*Federal and State*): Empowers SANDAG to review projects with regional impacts under California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA).
- **North County Multiple Habitat Conservation Program** (*Local*): Charges SANDAG with managing and administering this program, which is undertaken on behalf of the seven North County cities.
- **Regional Census Data Center / Regional Information System** (*Local*): Empowers SANDAG to conduct local planning activities pursuant to agreements with the U.S. Department of Defense; the California Department of Transportation (CalTrans); the State Office of Planning and Research; the Metropolitan Transit System (MTS); the North County Transit District (NCTD); the Air Pollution Control District (APCD); the San Diego County Water Authority (SDCWA); the San Diego County Regional Airport Authority (SDCRAA); the Source Point/Service Bureau ; and cities, the county, and others; and.
- **Regional Criminal Justice Clearinghouse / Automated Regional Justice Information System - ARJIS** (*local*): Provides police enforcement authorities in the region with information to solve crimes and protect the public.

In addition, SANDAG holds a number of operational authorities and responsibilities post-consolidation. As a result, SANDAG operates the following:

- **San Diego County Regional Transportation Commission** (*State and Voter Approval*): Oversees construction of *TransNet* sales tax highway and public transit projects and funds local street and bicycle projects.
- **Freeway Service Patrol Administration** (*State and Local*): Provides service for stranded motorists on all major highways in the region.
- **Regional Transportation Demand Management Program Administration** (*Local*): Provide and administer a regional program (RideLink) consisting of carpool, vanpool, and transit programs, guaranteed ride home, Flexcar™, bike locker program, and others.
- **I-15 Congestion Pricing and Transit Development Program** (*State*): Implement the FasTrak® program to allow single-occupant vehicles in I-15 Express Lanes for a fee. Fees support additional bus rapid transit services in corridor.

² The TDA is a state law that returns a quarter-percent of state sales taxes to the municipality it was generated for transit support.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

- **Regional Beach Sand Replenishment Program (Local):** Administer the regional program in coordination with federal, state, and local agencies.

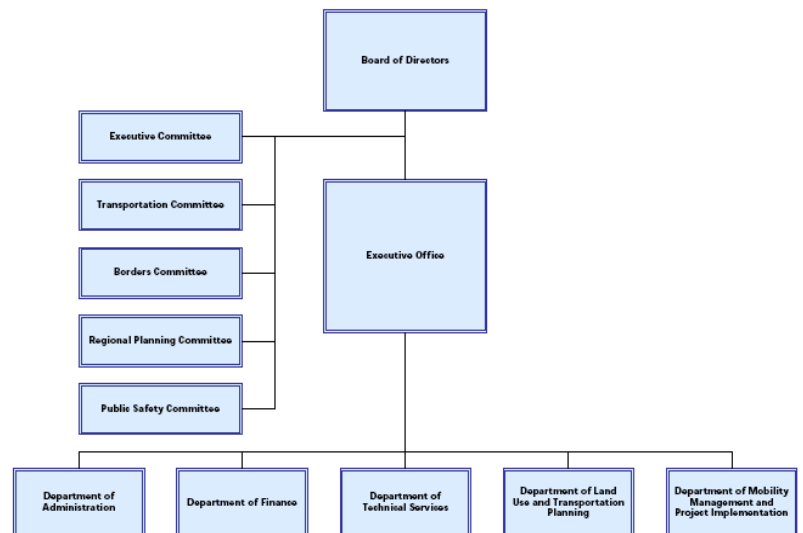
State legislation requires that each of the local governments within San Diego County be members of SANDAG. Governance comes from a Board of Directors whose voting members are mayors, council members, and county supervisors of those jurisdictions.³ The Board is assisted by a professional staff of planners, engineers, and research specialists who prepare plans and provide technical analysis on issues ranging from transportation and land use to water resources, emergency preparedness, border issues, and air quality. Representatives from neighboring counties, Federal agencies, the state department of transportation, the Port, the county's two transit providers⁴, the Water Authority, the Southern California Tribal Chairmen's Association, and Mexico also share input and advice with the Board.

All SANDAG decision-making is driven by the Board of Directors, which meets twice monthly. One of these is a policy meeting and the other a business meeting where funding decisions are made. As SANDAG's responsibilities and work areas expanded in the early 2000s, the Board created five Policy Advisory Committees to help organize its work and make decision-making more efficient. Each of these committees has between six and nine members⁵ to whom the full Board delegates a degree of funding and decision-making authority. SANDAG believes this leads to a more efficient decision-making process and expands SANDAG's capacity to take on related work in the region. The five Policy Advisory Committees⁶ are (also see Figure 1 below):

- **Executive Committee** – Charged with setting Board agendas; reviewing, recommending, and making amendments to SANDAG's Budget and Overall Work Program, reviewing and acting on state and Federal legislation, and acting on behalf of the Board when timing requires.

- **Transportation Committee** – SANDAG's oldest and largest committee with expanded responsibilities as a result of the consolidation (under which SANDAG is now a “designated recipient” directly receiving Federal transit funds) that include oversight for all consolidated transit responsibilities (including planning and construction) as well as all transportation plans and corridor/system studies; establishing and approving prioritization criteria for short- and long-range transportation project selection; approving transit operator budgets⁷; holding public hearings; approving the Congestion Management Plan; and approving financial/contracting transactions as well as making real property transactions related to transportation projects.

Figure 1: SANDAG Organizational Structure



³ Each local city council or county board makes its own decision of who to send to serve on the SANDAG Board.

⁴ These are the Metropolitan Transit System (MTS) and the North County Transit District (NCTD).

⁵ Cities within the region caucus to decide who to send to each committee.

⁶ This is a partial listing of each committee's full responsibilities, intended to provide a sense of the range of activities each is charged with.

⁷ As a result of consolidation the two transit operators, MTS and NCTD, are now housed within SANDAG.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

- **Borders Committee** – Addresses tribal, international, and county border issues by providing oversight for planning activities and impacting borders (such as regional freight/goods movement or interregional commuting) and advising the Board on international/interregional policy issues, recommending border infrastructure financing strategies to the Board, and providing review and comment on regionally significant projects in adjoining counties. The Borders Committee does not have jurisdiction over annexation issues, however (nor does the SANDAG Board⁸).
- **Regional Planning Committee** – Provides oversight in the preparation and implementation of the Regional Comprehensive Plan (RCP); advises the Board on regional planning policy issues, and recommends regional infrastructure financing strategies. This committee is particularly important in light of consolidation because, as a result, the RCP is now the base within which all overriding planning goals are established for the region. The RCP sets the tone and starting point for regional vision, regional direction, goals and objectives, baseline monitoring of regional health, strategic and specific studies, and new initiatives. It is also from the RCP that the short- and long-range transportation plans are developed.
- **Public Safety Committee** – This is SANDAG’s most recently formed committee (formed 2003) that advises the Board on matters related to the ARJIS and the Criminal Justice Division. This allows SANDAG to receive Federal security funding created post 9/11 in support of emergency preparedness planning.

The Board of Directors retains a number of final decision-making responsibilities for the agency. These include:

- Approving the region’s Transportation Improvement Program (TIP) (short-term), the Regional Transportation Plan (RTP) (long-range), the RCP, and other regional plans (i.e., energy and housing)
- Approving programming decisions to disperse funds (i.e., Transportation Development Act (TDA), Congestion Mitigation and Air Quality (CMAQ), Transportation Enhancements (TE), Statewide Transportation Improvement Program (STIP), etc.)
- Approving environmental reports/documents for projects
- Approving the Overall Work Program and Program Budget, as well as their amendments (above certain cost thresholds)
- Providing policy direction for the agency
- Approving the annual legislative agenda
- Delegating responsibilities to Policy Advisory Committees where appropriate and approving all committee actions

The Board uses a tandem system of weighted votes based on population to ensure fair representation of interests in board decision-making.

SANDAG takes an active interest in all state legislation that impacts the San Diego region. There is a legislative advocacy person on staff who tracks bills, and Board members make trips to Sacramento to take positions on proposed legislation.

The most significant result of consolidation in 2003 is the fact that SANDAG moved beyond planning alone to programming funds and overseeing project development and construction. Deciding where and how to disburse funds and overseeing the construction of new projects allows SANDAG to directly influence land use, housing, and related issues in the region. For example, SANDAG prepared an RTP prior to consolidation but not an RCP, as it does today. The RCP is an overarching planning and development document that helps SANDAG prioritize what

⁸ Annexation in the region is handled by the state-chartered [Local Agency Formation Commission for San Diego County](#).

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

kinds of transportation projects to build and where in order to better align transportation with interconnected issues such as land use, housing, energy, economic development, and natural resource protection, among other concerns. SANDAG staff believe that expanding the agency's sphere of influence increases the efficiency and effectiveness of its coordination across these issues in the complicated processes of regional growth and development, ensuring that better decisions and projects result.

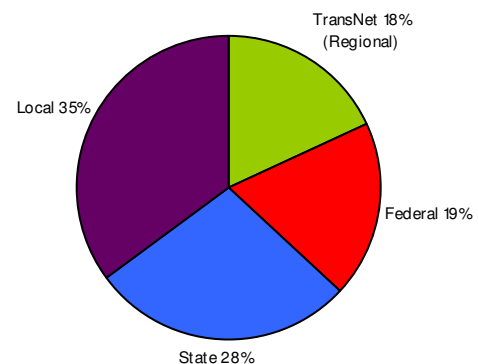
More information on SANDAG's organizational structure, bylaws and policies, history, work program, and budget is available at their [website](#).

2: SANDAG Programing

Sookyong Kim, Financial Programming Manager, SANDAG

SANDAG is responsible for programming funds from a variety of sources.⁹ Its current 2030 RTP is composed of \$57 billion of projects from a mix of local, regional, state, and Federal sources (*see Figure 2 below*) over 20 years. The RTIP is the short-range programming document created from projects listed in the first 5 years of the RTP. This document is formatted to be consistent with an equivalent statewide plan, the STIP, and updated every 2 years, which coincides with the time cycle for their air quality amendment process as well. SANDAG is also working to formalize the RTIP amendment process so that amendments are reviewed and approved on a quarterly basis, rather than ad hoc, in an attempt to streamline that process.

Figure 2: Funding Breakdown for SANDAG's 2030 RTP (\$57 billion)



- Federal funding is generated through the Federal gas tax and flows to SANDAG through the many formula and discretionary programs included in the Federal transportation bill, SAFETEA-LU (passed in 2005), including CMAQ and the Surface Transportation Program (STP).¹⁰ As a result of consolidation, SANDAG is now a designated recipient for transit funds, which allows it to apply directly to the FTA for Federal 5307 and 5309 program funds and decide how these funds are spent.
- State funding is generated primarily through the state gas tax and flows to SANDAG through a number of state transportation and infrastructure programs, such as State Transit Assistance (STA), Proposition 1B Infrastructure Bonds, the Traffic Congestion Relief Program (TCRP), and the State Highway Operations and Preservation Program (SHOPP), as well as other state maintenance and operations programs.
- The primary source of regional funding is TransNet, a county-wide ½ percent sales tax approved by the voters to specifically fund regional transportation projects. It has a 40-year time horizon and generates approximately \$250 million a year. Two percent of this is

⁹ For a more complete description of the many funding sources and programs that flow into SANDAG's RTP, you can visit the following [link](#)?

¹⁰ These stand for Congestion Mitigation and Air Quality (CMAQ) and Surface Transportation Program (STP).

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

skimmed off the top for bike and pedestrian projects, and the remaining funds are split equally three ways among highways, local streets/roads, and transit projects.¹¹ In order to be approved, the TransNet ballot question had to secure approval by at least a two-thirds vote region wide. This demanded an extensive public engagement process on SANDAG's part to build widespread public buy-in and support for the specific projects included on the ballot. SANDAG is also responsible for designing regional transit fare structure and receives funds from fare collection as well.

- Local funds flow to SANDAG through municipal general funds, member dues, developer exactions, and TDA funds (i.e. local sales taxes).¹²

Consolidation has fundamentally changed SANDAG from being a *planning* organization alone to an *implementing* agency as well. All work flows from priorities established by the Board. Once agreement is reached, SANDAG can then choose how to pursue specific funding sources that support Board priorities and follow them through to construction and completion. As a result, SANDAG has a much greater impact on regional development than it did prior to consolidation. Taking on the additional responsibilities that come with greater authority requires a tremendous amount of work and commitment, however. The importance of having a strong vision to drive the organization cannot be overstated. Board leadership is critical as well. Agencies considering consolidation efforts of their own should take these issues into account.

Question: *How do you prevent member jurisdictions from not paying their dues? (This can be a challenge for some MPOs.) Would you revoke funding of local projects within those jurisdictions?*

Answer: We have not had a problem with this in the San Diego region. Municipalities are bound by state law to be members of SANDAG and to pay their dues. Members have a strong incentive to pay because if they don't, they would lose their votes on the Board, their stake in the process, and their ability to get projects approved in their jurisdiction.

3: SANDAG's Legal Structure

John Kirk, Deputy General Counsel, SANDAG

The impetus for consolidating SANDAG's broad transportation planning responsibilities with the specific transit planning, project implementation, and construction responsibilities of the county's two transit agencies was two-fold:

1. Increase the efficiency and effectiveness of regional transportation and development decision-making in San Diego County.
2. More effectively advocate for increased transportation funding within the region, as well as externally through state and Federal programs.

Ultimately, consolidation occurred because the political climate and the public will were open and supportive of it. Without those factors in play, the process may not have been as smooth or successful as it has been.

Now that consolidation is complete, SANDAG is a "local public entity" under state law (i.e. government unit). The County's two transit operators, MTS and NCTD, are recognized as separate public agencies by the Secretary of State; but they are housed within SANDAG, and

¹¹ The choice to split revenues equally between highways, streets/roads, and transit was made by SANDAG in a conscious effort to build broad public support in order to successfully pass the ballot. Other regions, such as Los Angeles, have been able to successfully pass transportation measures that exclusively dedicate their funding to transit, but this was not thought to be politically feasible in San Diego when TransNet was being developed.

¹² TDA is an act of the state law that returns a quarter-percent of state sales taxes to the municipality it was generated for transit support.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

SANDAG’s Board is now responsible for transit planning and controls their funding (i.e., sets their budgets).

SANDAG’s breadth of funding and control of where and how those funds will be spent positions it at the front of growth and development conversations in San Diego County. Its legal and organizational structure are then designed with certain “hooks along the way” to solicit participation from local jurisdictions and ensure that SANDAG speaks with a truly balanced regional voice. As stated earlier, state law requires all municipalities within San Diego County to be dues-paying members of SANDAG with Board representation for regional planning and governance decisions.

The give and take of local interests has at times caused conflict on the SANDAG Board (i.e., allocation of transit funds,), but parties have typically wanted to move past that and come to the table ready to make things work. This may stem from the original impetus for consolidation, which is still relatively fresh in people’s minds. It can also be explained by looking at SANDAG’s organizational structure and culture, which emphasize a team approach combined with strong leadership from the Board. This seems to be better aligned with a non-profit business model than a government entity, which SANDAG sees as an advantage and a benefit of its organizational structure.

Two key legal elements that led to the success of SANDAG’s consolidation are:

- Taxing authority: This allows SANDAG to raise funds in response to specific regional needs and goals.
- Flexibility in contracting methods used: This allows SANDAG to tailor its operations and construction contracts to specific projects needs, such as the ability to pursue design-build contracts on projects where efficiencies or other benefits may be gained.

Any agencies considering consolidation should take these considerations into mind.

4: SANDAG Administration

Jack Boda, Director Mobility Management and Project Implementation, SANDAG

One part of the consolidation success story for SANDAG is that despite a population of over 2.8 million people, there are only 21 voting member governments, a number that lends itself relatively well to having a strong and active Board of Directors.¹³ Mr. Boda felt that MPOs with much larger boards (such as the Southern California Association of Governments in Los Angeles that has 142 voting members) may find it more difficult to resolve contentious issues or find it easy to get lost in process. Another consideration for the composition of MPO board members is the adverse affect of burnout (i.e., Board fatigue) or the loss of institutional memory that comes with turnover, especially in states like California where many positions have term limits.

The education and orientation of Board members is an important component of SANDAG staff’s work. Each summer, Board members participate in a 2-day retreat where members work on creating their regional vision for upcoming cycles of project planning and implementation. This retreat includes a training and orientation program for new Board members, which introduces them to SANDAG’s processes and procedures and provides them with information on how to vote and get involved in committees. The retreat is an invaluable component of SANDAG’s work, especially because it provides Board members the chance to connect with one another in an informal setting outside the context of their official duties.

¹³ By comparison, the Indianapolis MPO, with a population of approximately 1.7 million people, has 36 member local governments it must coordinate with (a number which would rise to over 40 if it consolidated with the Anderson MPO).

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

One consideration from an administrative standpoint that facilitated a relatively obstacle-free transition was the stipulation that no agency staff person would lose their job, be demoted, receive less compensation, or receive fewer benefits as a result of the consolidation. There were some transitions, however. For example, most of the planners who were formerly employees of the region's two transit agencies now work as transit planners as SANDAG employees.

Having to coordinate with two transit agencies has led to some challenges and duplicative efforts, particularly in terms of short-range versus long-range planning. Further clarification of roles and responsibilities between SANDAG and MTS/NCTD, perhaps in the form of follow-up legislation from the state, could help to streamline efforts. In hindsight, Mr. Boda felt the consolidation may have been smoother if MTS and NCTD had also been consolidated into one regional transit operator for SANDAG to plan and program with. Still, SANDAG has not experienced any major bumps in the road as a consequence of maintaining two transit operators within the region. When compared to San Francisco, which has 29 transit operators in a seven-county region, the challenges in San Diego seem more manageable.

California Senate Bill 1703 (consolidation) gave SANDAG the authority to actually implement and oversee capital projects (transit and highways), as well as plan them. There are 45 engineers on staff who handle letting and project management, and SANDAG maintains 14 on-call contracts for consultants to work on project specifics. SANDAG conducts a bi-monthly meeting with its engineering staff to monitor project development and status.

SANDAG is investing heavily in transit and other alternatives as an option to traditional single-occupancy vehicles. A highlight of these initiatives includes the following:

- A new commuter rail service between Oceanside and Escondido was launched in March 2008, and the transit corridor between San Diego and Los Angeles is now the second busiest in the country. SANDAG is working on making this service more attractive (e.g., adding free Wi-Fi) and convenient (e.g., main goal is to make the ride time faster than the current drive time of 2 hours).
- A value pricing program (called zipper lanes) along Interstate-15 includes plans for bus rapid transit (BRT) and has a 40 percent fare box recovery. The goal is more to move people than turn a profit, so monies generated through the program region-wide are pumped back into operating the lanes as well as the transit service that will use it (split 50-50). SANDAG believes that seeing toll revenues channeled into transit projects also helps garner public acceptance of new tolls.
- The provision of a full range of commuter services,¹⁴ including:
 - A \$400 van pool incentive for workers commuting into the region
 - FasTrak® transponders on Interstate-15
 - A 511 service that people can call for real time information on traveler times and bus time (which will be bilingual starting in summer 2008).

Question: *With consolidation does SANDAG now have an explicit economic development component to its work?*

Answer: We are not involved in land assembly and do not work to explicitly attract certain industries to the region, but we do prepare housing market forecasts and track a number of quality of life indicators, including economic factors.

¹⁴ San Diego has more jobs than housing and the median home price is \$550,000 so many people commute into the region from outside, where home prices are much lower.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

Question: *With consolidation, has combining planning and implementation in one house led to conflicts of interests?*

Answer: There can be some tug of interests at times, yes, but generally we have not had a problem with this in the San Diego region.

5: SANDAG's Regional Land Use and Transit Planning

Coleen Clementson, Principal Regional Planner, SANDAG

David Schumacher, Principal Regional Planner, SANDAG

For many years, one of SANDAG's core functions was to provide high-quality technical studies and data analysis to municipalities within the MPO planning region. This positioned it well as an independent agency and resource in the region prior to consolidation. Today, SANDAG's Service Bureau still produces customized demographic and economic studies, data and analyses, GIS analyses and mapping, and transportation modeling for municipalities in the region on a fee-for-service basis (though the first 3 hours are provided for free).

The big shift that came with consolidation was the expansion of SANDAG's planning and programming work to include on-the-ground project development, which allowed it to become involved in issues beyond the traditional transportation focus. Chief among these is land use. Although SANDAG did not gain formal land use authority through consolidation, it can now use transportation funding and infrastructure development as a carrot to incentivize the kind of land uses regional decision-makers want to encourage.¹⁵ Before consolidation, the primary long-range plan SANDAG prepared was the 20-year RTP required of all MPOs by Federal law. Now, even more important than the RTP is SANDAG's RPC. The RCP is a state-mandated (via consolidation legislation) plan that develops strategies for better linking transportation with inter-related issues such as land use/urban form, housing, public facilities, environmental protection, economic development, and energy to encourage more sustainable, equitable development for the region's future.

The RCP is the “top of the food chain” plan from which all other SANDAG plans flow. It provides a framework of 38 regional benchmarks across interrelated development categories (i.e., travel times, beach widths, income distribution, new housing units, new jobs, mode share, income distribution, park acreage, air quality index, housing affordability, etc.) that are monitored annually for progress and against which impacts of specific projects or policies can be calculated. As adopted by the SANDAG Board, the RCP provides a policy and planning framework within which regional transportation priorities and decisions are made. It is an overarching document that guides development of the RTP and aids project selection for the RTIP (the short-range list of transportation projects to be built in the next 5 years that SANDAG updates every 2 years). For example, the current RCP includes a smart growth concept map, in which SANDAG staff identified nearly 200 existing, planned, or potential smart growth locations in San Diego County (based on information received from all local jurisdictions within the region and with whom SANDAG staff meet monthly. on their current and potential land uses). These locations were then used to strategically guide project selection for the RTIP and build a critical mass of cross-supportive infrastructure and program investments. There is no formal schedule for updating the RCP yet, but planning staff are looking at a 4-year cycle just prior to the RTP update to ensure that it remains as a major source for prioritizing transportation projects in the region.

¹⁵ For example, regional decision-makers would like to see more smart growth in San Diego county, so SANDAG can choose to program funds for more transit-oriented development (TOD) and channel those funds to municipalities that adopt the kind of zoning (i.e., higher density) that support TOD.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

For many staff members, the expansion of SANDAG's work to include comprehensive planning is an exciting change brought about by consolidation because it allows for greater synergies across issues that a singular focus on transportation cannot capture. Some of the longtime members of SANDAG's staff say that the RCP is a culminating achievement of their work at the agency, something that they have been striving towards for nearly 20 years.

From the vantage point of transit planning and provision in the region, consolidation has brought both opportunities and challenges. On the positive side, transit planners at SANDAG are able to engage and coordinate on land use and development issues to a much greater degree than they did previously. They are also more engaged in environmental review than they would have been previously. Transit planners conduct short- and long-range transit plans and have their own projects (including bigger projects funded through New Starts, such as new BRT, light rail, or commuter rail) that they are able to work on from inception all the way through to construction, including engineering phases.

Though SANDAG is able to plan and build transit projects as it deems fit with consolidation, it does not bear the responsibility of operating those systems. This remains the work of MTS and NCTD, as it was prior to consolidation. What changed from the vantage point of the transit agencies is that they no longer are responsible for transit planning but are tasked with operating their respective transit systems.

Since operating funds are scarce in San Diego, the new allocation of responsibilities has made for some conflicting interests. After consolidation, transit agencies retained their ownership of land along certain corridors, which they see (due to their specific responsibilities) as a desired source of operating revenue. SANDAG, from the broader vantage point of regional development, however, may see those revenues as potential contributors to other efforts like capital investments to support new transit oriented development projects. SANDAG and MTS/NCTD are committed to working through challenges such as these as they arise and, despite occasional issues, have generally enjoyed a smooth working relationship after the transition. SANDAG is responding to MTS/NCTD's concerns about operating funds, for example, by helping to oversee a new ½ percent sales ballot initiative within the region to support quality of life issues that would include dedicated funds for transit operations.

SANDAG's ability to work through challenges such as these when they arise depends on three main factors. Not surprisingly, these are the same factors that created the impetus for consolidation and ultimately made it a success. They are:

1. *High Quality Internal Technical Analysis/Expertise:* SANDAG's long standing reputation as a source of high quality data and analysis gives it the technical credibility to serve as a mediator for regional growth and development decisions. The breadth of technical expertise among staff provides flexibility and integration of skill sets to solve complex problems. Staff support the Board's decision-making by developing a range of options and alternatives in their long-range planning.
2. *Organizational Leadership:* As one of the initial champions of the consolidation effort, SANDAG's Executive Director brings tremendous personal commitment and political savvy to making it a success. Drawing on the strong technical capacity of his staff, he strives to make SANDAG a neutral meeting ground and works to build relationships that foster regional consensus across the varying, and at times competing, interests of his Board members.
3. *Political Will:* The initial momentum for consolidation was built from state and local politicians in the San Diego region who wanted to find more effective and efficient ways for local governments to collaborate around issues of development and growth. Their desire to demonstrate the success of their effort helps maintain a supportive climate in which, if and when issues arise, problem solving and resolution are encouraged.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

Question: *How much of your planning work is conducted by staff?*

Answer: The RTP and RCP are produced in-house by staff planners and analysts. The Technical Services Department is comprised of 45 modelers, GIS specialists, socio-economic forecasters, and information technology (IT) staff. We do our own modeling, socio-economic forecasting, and a variety of other technical studies, including impact studies in-house. Smaller scale studies, project-specific plans, and environmental reviews are often conducted by consultants, with SANDAG staff acting as project managers.

Question: *What are the biggest short-term (5-10 year) challenges SANDAG faces?*

Answer: On the technical side, it is **climate change**. Our state Attorney General wants to see transportation agencies addressing climate change in their plans, and there is new state legislation on the horizon that may require us to change our modeling to address climate change concerns and build energy efficiency into our planning. Organizationally, identifying the **funding** to do all the things we would like to is always a challenge, especially with the state of the economy, since we are so reliant on local sales tax dollars.

Question: *How are your planning activities funded?*

Answer: Two to three percent of our state TDA¹⁶ funds our planning program, but we also apply to state grant programs for research studies. We look to multiple other sources for planning activities as well, including Federal Planning (PL) funds, FTA Section 5305 planning funds, Environmental Protection Agency (EPA) grants, foundations, private sources, and contract opportunities.

Question: *What are some of the top considerations agencies interested in consolidation should weigh?*

Answer: There are a number of things to consider. First and foremost, what is the political climate and political will in your region? If these are not aligned and supportive, consolidation could be very difficult. Secondly, how many agencies would be consolidated, what are the political sensitivities involved there, and how many Board members would result? If you are thinking about a consolidation involving transit agencies who own land, it is important to consider whether you really want to be a landowner. The tension between transit planning versus operations is something to think about in this circumstance as well. One issue that we are now analyzing is airport planning and how to better collaborate with the airport authorities. In many regions, this seems to be an issue of growing interest and it could be worthwhile to investigate the possibility of bringing airport agencies into the consolidation effort.

6: SANDAG's Regional Air Quality Planning

Rachel Kennedy, Associate Regional Planner, SANDAG

SANDAG participates in a monthly air quality working group that has representatives from the FHWA, the FTA, CalTrans, the EPA, and the San Diego Air Pollution Control District. SANDAG has found the working group to be an effective forum for building stronger working relationships with state and Federal partners should issues arise in the future.

¹⁶ This stands for Transportation Development Act, which is a quarter percent of state sales tax spent in localities that is returned to them for transportation.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

California has more stringent air quality standards at the state level than the Federal Government does, and new legislation is requiring MPOs and other planning agencies to address climate change and green house gas (GHG) emissions more explicitly in their plans. SANDAG has not focused its air quality work specifically on GHGs before, so this will be a new area for collaboration and problem solving.

Question: *As you run it right now, how onerous is your current conformity process? What is the administrative burden?*

Answer: The internal process seems to work quite well. The biggest challenge is probably the RTIP amendments (which must be analyzed for air quality impacts), since there are so many municipalities. But we are trying to shift to quarterly review of these to make the process more efficient.

7: SANDAG Financials

Renee Wasmund, Finance Director, SANDAG

With consolidation, SANDAG is moved beyond being a planning agency to also being a project developer and builder of transportation projects. About 75 percent of the budget is still devoted to planning, and 25 percent is budgeted for project delivery. As with all SANDAG policy, budget development is a Board-driven process. Each time the RTP is updated, the Board adopts three strategic goals around which to focus development efforts and then convenes a subcommittee to develop areas of emphasis and more specific work objectives. Project managers look over their list of potential projects and submit only those consistent with the selected targets. Financial staff then crunch the numbers to see if/where adjustments need to be made. This is how the budget is developed, and divisions put together their scopes of work. The work program and budget are unified.

SANDAG has approximately 200 people on staff and will spend \$22.8 million on salaries and benefits in FY 2008 (20 percent of this, \$4.4 million, is overhead). The budget draws on three funding sources for the SANDAG's planning and administration functions. These are:

- **TransNet¹⁷:** They take one percent of all TransNet revenues generated for administration (about \$2.5 million annually) off the top before any other subdividing of funds.
- **State TDA program¹⁸:** This provides about \$8 million annually
- **Board Member Dues:** About \$500,000 of the \$2.6 million generated annually by member government dues is used to support planning and administrative functions at SANDAG.

All costs associated with the Board are listed in a separate budget that is supported entirely by local revenue sources. This includes member travel and per diem (for legislative advocacy in Sacramento or on Capital Hill or to speak at conferences or other professional events), meeting vouchers, the annual summer retreat, etc.

Question: *How are you dealing with the fact that the National Highway Trust Fund is going to end?*

Answer: We are developing policies to address that and diversifying our funding base with state and local revenue sources. Transnet, for example, now comprises nearly 20 percent of the funding in our RTP. We also have a Board policy on contingency reserve, which is 5 percent of the overall work program (OWP), but it is targeted for daily

¹⁷This is the region-wide ½ percent sales tax.

¹⁸ This is the Transportation Development Act, which returns a quarter-percent of the state sales tax to the locality in which it was generated for transportation.

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

operations, so this is not a comprehensive or long-term strategy for covering the loss of federal monies.

Question: *Do you have any financial investments like CDs?*

Answer: Yes. All TransNet money flows through SANDAG for calculating apportionments out to jurisdictions and regional infrastructure projects, but the rest is put into investments. We use an outside investment agency and public financial manager to help manage these.

Question: *Do have any monies with the leeway to set aside as a long-term endowment?*

Answer: That has come up as an idea for covering rising costs like environmental monitoring and our legal staff are looking into that possibility.

VI. Key Contacts

Key Contact: Michael Dearing, Manager/Master Planner, Indianapolis MPO
Address: 200 E. Washington St, Suite 1821
Indianapolis, IN
Phone: 317-327-5139
Fax: 317-327-5103
E-mail: MDearing@indygov.org

Key Contact: Jerrold Bridges, Executive Director, Madison County Council of
Governments
Address: 16 E. 9th St., Rm 100
Anderson, IN
Phone: 765-641-9482
Fax: 765-941-9486
E-mail: JBridges@mccog.net

Key Contact: David Hicks, Senior Public Information Officer, SANDAG
Address: 401 B Street, Suite 800
San Diego, CA
Phone: 619-699-6939
Fax:
E-mail: DHic@sandag.org

Key Contact: Elizabeth Murphy, Community Planner, USDOT Volpe Center
Address: 55 Broadway
Cambridge, MA
Phone: 617-494-3137
Fax: 617-494-3260
E-mail: Elizabeth.Murphy@volpe.dot.gov

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

VII. Attachments

A: Participant List:

Hosts

First	Last	Title	Organization
David	Hicks	Senior Public Information Office	SANDAG
Anne	Steinberg	Marketing Program Manager	SANDAG
Sookyung	Kim	Financial Programming Manager	SANDAG
John	Kirk	Deputy General Counsel	SANDAG
Jack	Boda	Director Mobility Management and Project Implementation	SANDAG
Coleen	Clemenston	Principal Regional Planner	SANDAG
David	Schumacher	Principal Regional Planner	SANDAG
Rachel	Kennedy	Associate Regional Planner	SANDAG
Rene	Wasmund	Finance Director	SANDAG
David	Hicks	Senior Public Information Officer	SANDAG

Guests

First	Last	Title	Organization
Michael	Dearing	Manager/Master Planner	Indianapolis MPO
Philip	Roth	Assistant Manager	Indianapolis MPO
Jerrold	Bridges	Executive Director	Madison County COG
Joyce	Newland	Community Planner	FHWA, Indiana Division Office
Andy	Minyo	Community Planner	FTA, Region V
Elizabeth	Murphy	Community Planner	USDOT – Volpe Center

B: Agenda

Program for Tuesday, March 11, 2008

Begin	End	DESCRIPTION
8:30 am	9:30 am	Anne Steinberger (Public Outreach)
9:30 am	10:00 am	Sookyung Kim (Regional Transportation Improvement Program)
10:00 am	10:15 am	Morning Break
10:15 am	11:00 am	John Kirk (Legal)
11:00 am	12:00 pm	Jack Boda (Administration)
12:00 pm	1:30 pm	Morning Debrief and Lunch
1:30 pm	3:00 pm	Coleen Clementson and Dave Shumacher (Regional Land Use and Transit Planning)
3:00 pm	3:15 pm	Afternoon Break
3:15 pm	4:00 pm	Rachel Kennedy (Air Quality)
4:00 pm	5:00 pm	Renee Wasmund (Financing)
5:00 pm	5:30 pm	Afternoon Debrief and Wrap-Up
		End of Peer Exchange

Transportation Planning Capacity Building Peer Exchange
“MPO Consolidation” March 2008

C: Participant MPO Websites

San Diego Association of Governments

<http://www.sandag.org>

Indianapolis MPO

<http://www.indympo.org>

Madison County COG

<http://www.mccog.net>

Transportation Planning Capacity Building Program

<http://www.planning.dot.gov>